

OFFICIAL REPORT OF PROCEEDINGS**Meeting of 23rd May 1962**

PRESENT:HIS EXCELLENCY THE GOVERNOR (*PRESIDENT*)

SIR ROBERT BROWN BLACK, GCMG, OBE

THE HONOURABLE CLAUDE BRAMALL BURGESS, CMG, OBE

COLONIAL SECRETARY

THE HONOURABLE MAURICE HEENAN, QC

ATTORNEY GENERAL

THE HONOURABLE JOHN CRICHTON McDOUALL

SECRETARY FOR CHINESE AFFAIRS

THE HONOURABLE JOHN JAMES COWPERTHWAITHE, OBE

FINANCIAL SECRETARY

THE HONOURABLE ALLAN INGLIS

DIRECTOR OF PUBLIC WORKS

DR THE HONOURABLE DAVID JAMES MASTERTON MacKENZIE, CMG, OBE

DIRECTOR OF MEDICAL AND HEALTH SERVICES

THE HONOURABLE KENNETH STRATHMORE KINGHORN

DIRECTOR OF URBAN SERVICES

THE HONOURABLE PETER DONOHUE

DIRECTOR OF EDUCATION

THE HONOURABLE KWOK CHAN, OBE

THE HONOURABLE HUGH DAVID MacEWEN BARTON, MBE

THE HONOURABLE DHUN JEHANGIR RUTTONJEE, OBE

THE HONOURABLE FUNG PING-FAN, OBE

THE HONOURABLE RICHARD CHARLES LEE, OBE

THE HONOURABLE KWAN CHO-YIU, OBE

THE HONOURABLE KAN YUET-KEUNG, OBE

THE HONOURABLE WILLIAM CHARLES GODDARD KNOWLES

MR ANDREW McDONALD CHAPMAN (*Deputy Clerk of Councils*)**ABSENT:**HIS EXCELLENCY LIEUTENANT-GENERAL REGINALD HACKETT HEWETSON, CB,
CBE, DSO

COMMANDER BRITISH FORCES

MINUTES

The minutes of the meeting of the Council held on 2nd May 1962, were confirmed.

PAPERS

THE COLONIAL SECRETARY, by Command of His Excellency the Governor, laid upon the table the following papers: —

<i>Subject</i>	<i>GN No</i>
Report on the Hong Kong Banking System and Recommendations for the Replacement of the Banking Ordinance, 1948.	
Stamp Ordinance.	
Stamp (Bank Authorization) (No. 2) Order, 1962	A 40
Births and Deaths Registration Ordinance.	
Births and Deaths Registration (Amendment of First Schedule) Regulations, 1962	A 41
Public Health and Urban Services Ordinance, 1960.	
Preservatives in Food (Amendment) Regulations, 1962	A 42
Registration of Persons Ordinance, 1960.	
Registration of Persons (Cancellation of Registration and Identity Cards) (No. 2) Order, 1962	A 43
Railways Ordinance.	
Railways (Amendment) Rules, 1962	A 44
Registration of Persons Ordinance, 1960.	
Registration of Persons (Re-registration) (No. 8) Order, 1962	A 45

QUESTIONS

MR R. C. LEE, pursuant to notice, asked the following question: —

In view of the continued increase in the price of rice which has hit all sections of the community, is Government taking any immediate steps to meet the situation with a view to bringing the price back to within reasonable limits?

THE FINANCIAL SECRETARY replied as follows: —

Your Excellency, I am glad of this opportunity of saying something about the present rice situation.

Hong Kong gets between 60% and 70% of its rice supplies from Thailand, the principal source of the kind of rice we prefer to eat. The price of Thai rice in effect sets the international price and it must be recognized that the basic reason for increased prices in Hong Kong is increased prices in Thailand. It is a little difficult to give precise information about the extent of these increases because of the variety of grades of rice and the complication of old and new crop. But prices in Thailand have been creeping up slowly for some time until at Chinese New Year they stood £ 6 to £ 10 a ton higher than at the same time in 1961. Since the New Year prices have risen more rapidly, and very sharply since the beginning of April. Since New Year new crop export prices have risen by £ 11.10s for broken rice and £ 15 a ton for the best quality of white rice. There are a number of reasons for this but the most immediate reason at present is probably the situation in Laos.

I have quoted prices in pounds a ton as that is how export prices in Bangkok are normally quoted, but should explain that pounds a ton is approximately the same as dollars a picul or cents a catty.

In a completely free market prices in Hong Kong must reflect changes in Bangkok, upwards or downwards, almost immediately. Our stockpile arrangements, however, make it possible to cushion such changes, particularly violent changes, because an element of time-lag can be introduced within certain limits. But the stockpile arrangements cannot fully guarantee the merchant against the effect on his stocks of falling prices and there must be some offset when prices are rising.

Up to the middle of last week this cushioning effect had held the increase in Hong Kong since Chinese New Year at some £ 2 to £ 3 on average less than the increase in Bangkok might have warranted in a free market. In Government's view the gap should have remained rather wider than this at present. One condition of the importer's licence is that he must restrict credit to the wholesaler to one month. The object of this condition, which was introduced in September, 1960, is to restrict the scope for undesirable speculation. Recent investigations showed that this condition was being widely ignored and that on average over two months' credit was being

given, and that this was also being passed on by wholesaler to retailer to a substantial extent. This was giving scope for undesirable speculation by both wholesaler and retailer. The Director of Commerce and Industry has therefore had meetings with the trade to put this right and wholesale prices have since dropped by the equivalent of about £ 5 a ton to a level which is not unreasonable in the circumstances. Some rice is in fact now being sold wholesale *ex godown* in Hong Kong at below its current price *f.o.b.* Bangkok.

Further measures against speculation are, however, under consideration, including registration of wholesalers, and may be introduced should the position deteriorate again.

We are fortunate in having nearly four months' supply in stock. But in the long run we must conform to international prices and local prices may therefore rise again. If, on the other hand, as I hope, the situation in Bangkok improves in a reasonably short time, the size of our stockpile may make it possible to avoid following Bangkok prices up to the whole extent of their recent increase. But this is not a matter in our control.

CONSERVANCY (AMENDMENT) BY-LAWS, 1962

MR K. S. KINGHORN moved the following resolution: —

Resolved that the Conservancy (Amendment) By-laws, 1962, made by the Urban Council on the 1st day of May, 1962, under section 15 of the Public Health and Urban Services Ordinance, 1960, be approved.

He said: Sir, the purpose of the Conservancy (Amendment) By-laws, 1962, which were made by the Urban Council on 1st May, is to abolish the present fees for the conservancy service. My honourable Friend, the Financial Secretary, proposed in this Chamber on 28th February that the Urban Council should be invited to take this course. It is appropriate that conservancy should, like the scavenging and street cleaning services, be a charge against the general revenue of the Colony, rather than a charge on owners or occupiers of premises which lack water-borne sanitation. The By-laws now before Council for approval will provide the necessary statutory authority.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

BANKING (AMENDMENT) BILL, 1962

THE ATTORNEY GENERAL moved the First reading of a Bill intituled "An Ordinance to amend the Banking Ordinance, Chapter 155."

He said: Sir, this is a very short and simple amending Bill and in my opinion the purposes are sufficiently explained in the statement of Objects and Reasons.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a First time.

Objects and Reasons

The "Objects and Reasons" for the Bill were stated as follows: —

This Bill seeks to amend the Banking Ordinance, Chapter 155, (the principal Ordinance) in two respects.

- (a) Clause 2(a) will amend section 7(1)(d) of the principal Ordinance so as to make it clear that the Governor in Council has power to order the return of a bank's licence on or before a specified future date. The law requires the Financial Secretary to cancel a licence immediately it is returned and there may, therefore, be cases in which it would be impracticable to require the return of a licence forthwith since to do so might prevent a bank from winding up its affairs in the most beneficial way possible in the circumstances. In order to remove any uncertainty that there might otherwise be, clause 1(2) gives this amendment effect retrospectively to the commencement of the principal Ordinance.
- (b) Clause 2(b) will replace subsection (3) of section 7 of the principal Ordinance by a new subsection that requires the Financial Secretary to publish in the *Gazette* a notice of the making of an order under section 7(1)(d) of the principal Ordinance, in addition to publishing the name of a bank whose licence has been cancelled. This is clearly desirable in the public interest, particularly where a licence is not to be returned forthwith for cancellation.

PENSIONS (AMENDMENT) BILL, 1962

THE COLONIAL SECRETARY moved the Second reading of a Bill intituled "An Ordinance to amend the Pensions Ordinance, Chapter 89."

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clauses 1 to 5 were agreed to.

Council then resumed.

THE COLONIAL SECRETARY reported that the Pensions (Amendment) Bill, 1962, had passed through Committee without amendment and moved the Third reading.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

TENANCY (NOTICE OF TERMINATION) BILL, 1962

THE COLONIAL SECRETARY moved the Second reading of a Bill intituled "An Ordinance to provide for a minimum of six months notice of termination of certain tenancies, and for purposes connected therewith."

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clause 1 was agreed to.

Clause 2.

THE COLONIAL SECRETARY: —I rise to move that clause 2 be amended as set forth in the paper before honourable Members.

Proposed Amendment

Clause

- 2 (1) In subclause (1), after the words "every tenancy", insert the following—

"(which expression shall wherever it occurs in this Ordinance include sub-tenancies save where the context otherwise requires)"

- (2) In subclause (2), after paragraph (c), insert the following new paragraph—

“a tenancy in respect of which a valid notice to quit was given prior to the 14th day of April, 1962, including a tenancy arising by reason of a tenant holding over in such circumstances.”.

Clause 2, as amended, was agreed to.

Clause 3.

THE COLONIAL SECRETARY: —I rise to move that clause 3 be amended as set forth in the paper before honourable Members.

Proposed Amendment

Clause

- 3 (1) In subclause (1) —

- (a) after the words "is given up", insert the following—

"or where a tenant surrenders his tenancy in exchange for a new tenancy";

- (b) at the end thereof, insert the following sentence—

"Such notice may be served six months, or one month as the case may be, before a tenancy for a fixed term would otherwise have terminated. ".

- (2) In subclause (3), at the end thereof, add the following sentence—

“In the absence of any express covenant and condition there shall also be implied a covenant to pay rent and a condition for forfeiture for non-payment within fifteen days of the due date. ”.

- (3) After subclause (2), insert the following new subclause—

“Where notice of termination is served on a tenant and in addition is posted on three successive days, together with a copy in Chinese, upon the main door or entrance of the premises affected, such notice of termination shall take effect terminating also any sub-tenancies created under the tenancy to which it relates. ”.

Clause 3, as amended, was agreed to.

Clause 4.

THE COLONIAL SECRETARY: —I rise to move that clause 4 be amended as set forth in the paper before honourable Members.

Proposed Amendment

Clause

4 In subclause (1), leave out paragraph (a)

Clause 4, as amended, was agreed to.

Clause 5 was agreed to.

Clause 6.

THE COLONIAL SECRETARY: —I rise to move that clause 6 be amended as set forth in the paper before honourable Members.

Proposed Amendment

Clause

6 After the words "in any tenancy" insert the following—
“or out of any condition providing for a right of re-entry in the event of the tenant’s business being wound up, the tenant suffering execution to be levied or a receiving order in bankruptcy to be made, assigning the lease for the benefit of creditors or entering any agreement or making any arrangement with creditors for the liquidation of debts by composition or otherwise: ”.

Clause 6, as amended, was agreed to.

Council then resumed.

THE COLONIAL SECRETARY: —Sir, I have to report that the Tenancy (Notice of Termination) Bill, 1962, has passed through Committee with four amendments which are in my opinion material within the meaning of Standing Order 28. If Your Excellency is of the same opinion I seek leave to move the suspension of Standing Orders to enable this Bill to be read a Third time.

HIS EXCELLENCY THE GOVERNOR: —I am of that opinion.

THE COLONIAL SECRETARY: —I therefore move suspension of Standing Orders.

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

THE COLONIAL SECRETARY moved the Third reading of a Bill intituled "An Ordinance to provide for a minimum of six months notice of termination of certain tenancies, and for purposes connected therewith".

THE ATTORNEY GENERAL seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

**SEPARATION AND MAINTENANCE ORDERS (AMENDMENT)
BILL, 1962**

THE ATTORNEY GENERAL moved the Second reading of a Bill intituled "An Ordinance to amend the Separation and Maintenance Orders Ordinance, Chapter 16."

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clauses 1 and 2 were agreed to.

Council then resumed.

THE ATTORNEY GENERAL reported that the Separation and Maintenance Orders (Amendment) Bill, 1962, had passed through Committee without amendment and moved the Third reading.

THE COLONIAL SECRETARY seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

ST. PAUL'S COLLEGE COUNCIL INCORPORATION BILL, 1962

MR R. C. LEE moved the Second reading of a Bill intituled "An Ordinance to provide for the incorporation of St. Paul's College Council."

MR FUNG PING-FAN seconded.

The question was put and agreed to.

The Bill was read a Second time.

Council then went into Committee to consider the Bill clause by clause.

Clauses 1 to 11, and the Schedule were agreed to.

Council then resumed.

MR R. C. LEE reported that the St. Paul's College Council Incorporation Bill, 1962, had passed through Committee without amendment and moved the Third reading.

MR FUNG PING-FAN seconded.

The question was put and agreed to.

The Bill was read a Third time and passed into law.

HIS EXCELLENCY THE GOVERNOR: —Gentlemen, our colleague the Honourable Hugh BARTON has served on this Council since July 1958, only one month short of four years, and during this period he has been the Justices of the Peace representative here and now he has resigned from the Council and he is retiring from these debates of ours—this is his last meeting. His membership of Executive Council however means that the Colony is not losing him from public service nor am I losing his advice. At the same time I should wish on this occasion to take this opportunity of thanking him for his valuable and loyal service on this Council and to express to him on behalf of his honourable Colleagues and on my own behalf our very good wishes and warm appreciation. (*Applause*).

ADJOURNMENT

HIS EXCELLENCY THE GOVERNOR: —Well, gentlemen, that concludes the business for today. When is it your pleasure that we should meet again?

THE ATTORNEY GENERAL: —I suggest this day three weeks, Sir.

HIS EXCELLENCY THE GOVERNOR: —Council stands adjourned until this day three weeks.